REMARKS

Claims 1-7 and 17-20 are pending in the present application. Claims 1 and 17 are amended herein. Claims 8-16 and 21-25 are herein canceled without prejudice. Applicants respectfully assert that no new matter is added as a result of these amendments. Applicants respectfully request reconsideration of the present application in view of the amendments and remarks presented herein.

Election/Restriction

Applicants hereby confirm the verbal election, without traverse, of the claims of Group I, recited in Claims 1-7 and 17-20, drawn to a method of securely processing a digital signal between two parties, classified in class 713, subclass 189, made via telephone on April 19, 2005.

35 U.S.C. § 102

Claims 1, 3, 5, 7 and 17-20 stand rejected under 35 U.S.C. § 102(b) as being allegedly anticipated by Saito et al. (US 5,867,579, "Saito"). Applicants have carefully reviewed the cited reference and respectfully assert that embodiments of the present invention as recited in Claims 1, 3, 5, 7 and 17-20 are patentable over Saito.

With respect to independent Claim 1, Applicants respectfully assert that Saito does not teach or fairly suggest the limitation of "in a digital media receiving device" as recited by amended Claim 1. In contrast, Saito teaches communication between a geographically diverse "database" transmitter and a receiving "terminal."

For this reason, Applicants respectfully assert that Claim 1 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

Claims 2-7 depend from Claim 1. Applicants respectfully assert that these Claims overcome the rejections of record as they depend from an allowable base claim, and respectfully solicit allowance of these Claims.

With respect to independent Claim 17, Applicants respectfully assert that Saito does not teach or fairly suggest the limitation of "in a digital media receiving device" as recited by amended Claim 17. In contrast, Saito teaches communication between a geographically diverse "database" transmitter and a receiving "terminal."

For this reason, Applicants respectfully assert that Claim 17 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

Claims 18-20 depend from Claim 17. Applicants respectfully assert that these Claims overcome the rejections of record as they depend from an allowable base claim, and respectfully solicit allowance of these Claims.

In addition with respect to Claim 20, Applicants respectfully assert that Saito does not teach or fairly suggest the limitation of "configured such that the contents of said local memory cannot be observed from outside of said first logical circuit" as recited by amended Claim 20. Applicants respectfully note that the rejection fails to particularly point out a portion of Saito that allegedly suggests this limitation, and the Applicants are unable to locate such teachings.

For this additional reason, Applicants respectfully assert that Claim 20 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

35 U.S.C. § 103

Claim 2 stands rejected as allegedly obvious over Saito et al. (US 5,867,579, "Saito") in view of Schneier (Applied Cryptography, 1996, John Wiley & Sons, pp 513-514, "Schneier"). Applicants have carefully reviewed the cited references and respectfully assert that embodiments of the present invention as recited in Claim 2 are patentable over Saito in view of Schneier.

Applicants respectfully assert that Claim 2 overcomes the rejections of record as this Claim depends from an allowable base claim, and respectfully solicit allowance of this Claim.

Further with respect to Claim 2, Applicants respectfully assert that Saito actually teaches away from embodiments of the present invention that recite the limitation of "generating said public encryption key using the technique of Diffie-Hellman Key Exchange" as recited by Claim 2.

It is appreciated that the technique of Diffie-Hellman Key Exchange requires actions on the part of both parties. For example, both parties must agree on a finite cyclic group and a generating element. Further, both parties must select a random natural number. See Schneier page 513.

Saito teaches, "a primary user prepares... a first public-key (and) a private-key corresponding to the first public key" and that the public key is received at the database (column 4, lines 20-30). In teaching that the primary user prepares the public key, and the database receives the public key, Saito actually teaches away from embodiments of the present invention that recite the limitation of "generating said public encryption key using the technique of Diffie-Hellman Key Exchange" as recited by Claim 2.

For this further reason, Applicants respectfully assert that Claim 2 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

Claims 4 and 6 stand rejected as allegedly obvious over Saito et al. (US 5,867,579, "Saito") in view of Yagawa (US 6,751,598, "Yagawa"). Applicants have carefully reviewed the cited references and respectfully assert that embodiments of the present invention as recited in Claims 4 and 6 are patentable over Saito in view of Yagawa.

Applicants respectfully assert that Claims 4 and 6 overcome the rejections of record as these Claims depend from an allowable base claim, and respectfully solicit allowance of these Claims.

Further with respect to Claim 4, Applicants respectfully assert that Saito in view of Yagawa does not teach or fairly suggest the limitation of "replacing" and "executing said new computer control program at said second logical circuit" as recited by Claim 4. The rejection concedes, "Saito does not disclose that the encryption program or the copyright management program is updated/replaced." Yagawa is alleged to disclose a "digital content distribution system wherein the system provides downloadable updates of the digital content" (page 7, emphasis added). The system of Yagawa is analogous to the recited second logical circuit in the rejection's construction. Consequently, Yagawa is alleged to suggest updates from the second logical circuit to the first logical circuit. Applicants respectfully

assert that a suggestion to update a first logical circuit does not teach or fairly suggest updating the recited second logical circuit, as recited by the instant claim.

For this further reason, Applicants respectfully assert that Claim 4 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

CONCLUSION

Claims 1-7 and 17-20 are pending in the present application. Claims 1 and 17 are amended herein. Claims 8-16 and 21-25 are herein canceled without prejudice. Applicants respectfully assert that no new matter is added as a result of these amendments. Applicants respectfully request reconsideration of the present application in view of the amendments and remarks presented herein.

The Examiner is invited to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Respectfully submitted,

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